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JAN 26 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

25 January 1993

Ms. Donna Searcy
Office of the Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

RE: MM Docket 92-263

Dear Ms. Searcy,

The Communications Division of the City of St. Louis, Missouri herewith submits its **Reply Comments** to the Commission's Notice of Proposed Rulemaking in the matter of Cable Customer Service and Consumer Protection, **MM Docket No. 92-263**, Implementation of Section 8 of the 1992 Cable Act.

We have enclosed an original and four copies as required for the formal filing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Susan S. Littlefield".

Susan S. Littlefield
Cable Regulatory Administrator
City of St. Louis

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JAN 26 1993

BEFORE THE

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Federal Communications Commission

WASHINGTON, D.C.

Implementation of the
Cable Television Consumer
Protection and Competition
Act of 1992

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MM Docket No. 92-263

Consumer Protection and
Customer Service

REPLY COMMENTS OF THE CITY OF ST. LOUIS

Communications Division
City of St. Louis
4971 Oakland
St. Louis, Missouri 63110
For Itself

January 22, 1993

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SUMMARY OF COMMENTS

1. *The Communications Division of the City of St. Louis is the municipal Agency responsible for regulating cable television franchises and responding to subscriber problems which have not been satisfactorily corrected by the operator. As a very interested party, St. Louis therefore files these Reply Comments in support of other Local Governments' filings, and in opposition to certain filings by cable operators, most notably Tele-Communications, Inc.'s, based on our experience since 1989 with locally-mandated customer service standards.*
2. *St. Louis strongly urges the Commission to adopt specific, measurable and quantifiable customer service standards with clear definitions; anything less would result in mere 'guidelines' which are open to controversy, possible misinterpretation, and in some instances, outright abuse of the intention.*
3. *Therefore, St. Louis urges the Commission to reject the use of "The Recommended Standards for Customer Service" as adopted by the NCTA Board of Directors on February 14, 1990, in their existing form, because they will create interpretive and compliance problems for franchise authorities. St. Louis offers specific suggestions and comments which make practical business sense and should not be onerous to most operators.*
4. *St. Louis is sympathetic to the Commission's limited time, funds and human resources to maintain constant vigilance over customer service problems in some 12,000 cable systems nationwide. St. Louis strongly agrees with the Commission's view that Customer Service Standards are best enforced by the local jurisdictions in order to be practical, timely and responsive to individual community needs.*
5. *St. Louis supports the Commission's interpretation of the 1992 Cable Consumer Protection Act regarding a local jurisdiction's right to establish -at any time- more stringent or different standards based on local needs.*
6. *St. Louis believes that the 1992 Act intended the adopted standards to be self-executing, and automatically enforceable by all franchise authorities, but also advocates a reasonable timeframe for operators to meet newly-imposed federal standards): one hundred and twenty days (assuming an effective date of April 3, 1993).*
7. *St. Louis urges the Commission to clarify for the record that operator performance in the area of customer service can and will be a key test of "serving community needs" (along with existing legal, technical and financial considerations) in terms of franchise renewals or revocations.*

INTRODUCTION

The Communications Division of the City of St. Louis (hereinafter referred to as "St. Louis") is authorized by city ordinances as the Franchise Agency regulating cable operators and other telecommunications users of the City's public right of ways. St. Louis is thus an interested party to the proceedings of Docket 92-263 regarding customer service standards.

St. Louis has been an active participant in the National Association of Telecommunications Officers and Advisors, (hereinafter referred to as "NATOA") and generally supports the original comments filed January 11 by NATOA on behalf of "Local Governments". Further, we have consulted with other NATOA members - Fairfax County, Virginia, Mount Prospect, Illinois and Montgomery County, Maryland, and generally support the filings they have made during the Original and Reply Comment periods.

St. Louis has reviewed the Original Comments filed by Tele-Communications, Inc.(TCI), a multiple system operator with which St. Louis has had an interesting regulatory history. Based on the content of that filing, St. Louis is compelled to address the Commission in response to TCI's advocacy of NCTA's unspecific and unmeasurable "standards", and urges the Commission to reject any proposal which supports such vague standards.

St. Louis is filing these Reply Comments in order to provide the Commission with specific examples of customer service problems and beneficial outcomes as a result of implementation of specific Customer Service Standards imposed during a 1989 Transfer of Ownership, and to share our recommendations for standards which make excellent business sense for operators without becoming overly burdensome for any party involved in their enforcement.

St. Louis appreciates the burdens imposed on the Commission by the 1992 Cable Consumer Protection Act, and strongly agrees with the Commission that enforcement of customer service standards must remain with the local Franchise Authority in order to be practical, timely, effective and responsive to individual community needs and situations.

We respectfully comment (in order) on many of the Commission's Notice of Proposed Rule-Making paragraphs and footnotes (so numbered) which apply to the City of St. Louis situation and experience.

SECTION III DISCUSSION

Customer Service Standards Enforcement Process

Paragraph 4. Mechanisms for Service Requirements

The 1992 Cable Act Section 8 (c)(2) clearly gives Franchise Authorities (FA) the right to enact more stringent requirements, and does not prevent them from establishing such requirements independently or in consultation with the cable operator.

St. Louis believes that if we already have the federally-mandated right to establish/negotiate, a Franchise Authority does not need to pass a new ordinance in order to begin enforcing newly determined federal standards, for the same reasons that individual Franchise Authorities didn't have to pass ordinances to initiate operator compliance with the FCC's technical standards.

Franchise Authorities should notify the operator failing to meet compliance with federal (or locally determined) customer service standards as they would for any other deficiency.

In the same way that compliance with Technical Standards serves as a basis for determining adequate operator performance vis-a-vis non-renewal or revocation (even if fines, etc. are not involved) so too should the Commission specifically state in the Rule-making that compliance with Customer Service Standards is a determining factor which Franchise Authorities may legitimately use in ascertaining operator performance.

Paragraph 5. Higher/Lower Standards and Waivers

Again, because the 1992 Cable Act emphasized "Local Control", it seems to St. Louis that a **Franchise Authority which voluntarily chooses to adopt less stringent standards should be allowed to do so** (especially in a smaller jurisdiction if it does not have the manpower to adequately enforce the federal standards.)

However, an Operator should not be able to apply for a waiver from federal standards. The language of the Cable Act suggests federal standards are a "floor" rather than a "ceiling" of basic customer rights in any locality. Therefore, only a Franchise Authority should be able to decide that it chooses to waive "federal standards performance" on an item by item basis. (We are fully aware of the ability of a large MSO to effectively pressure a small community. However, the principal of local control is uppermost in our minds, and the Commission no doubt will set appropriate safeguards regarding stand-alone small systems.)

It would be unduly burdensome to the Commission's resources to have to investigate potentially numerous federal waiver requests from Operators and try to determine whether the requested waivers are necessary or justified. But it does seem reasonable that the Commission could accept a local Franchise Authority's notice to

reduce standards in response to specific and localized community situations.

Waivers for small systems should not be automatically allowed based solely on the subscriber base. It isn't the size of the system, it's the sophistication of the equipment used and the operator in charge that will determine ability to comply with federal standards. If, for example, a system does not have automation and related performance monitoring software, then the standard should still hold, but the methodology for determining compliance could be different, and developed by the local jurisdiction with input from the operator.

Paragraph 6. When can standards be enacted?

St. Louis believes that jurisdictions have the right and the authority to pass customer service standards at any time. That flexibility also seems central to the 1992 Cable Act, which clearly supports a local response to local needs and conditions. Since the 1992 Cable Act addresses perceived deficiencies resulting from the 1984 Cable Act and operator behavior, it is logical to assume that local Franchise Authorities should not have to wait until renewal to address local problems. As a practical matter, the City of Dallas passed a mid-franchise ordinance in 1988 because of gross abuses and customer dissatisfaction. St. Louis imposed our customer standards, criteria and procedures during a Transfer of Ownership as a condition of the transfer, again due to terrible service by the previous operator.

Some cities reserved the right for the Franchise Authority or Agency to impose customer service standards in the original franchise language. If a Franchise Authority wishes to impose more stringent or less stringent standards, it can do so in any numbers of ways, depending on local structure. The Franchise Agency can administratively handle the standards; the Franchise Authority might pass an ordinance; or standards might be negotiated voluntarily with the operator as an amendment (not a formal modification under 47USC Section 545) to the franchise contract.

Where no prior standards at all have been established, the Commissions requirements should be self-executing and enforceable at once, following a reasonable 120 day window from April 3, 1993.

St. Louis respectfully requests that the **The Commission specifically dictates that mid-franchise imposition of customer service standards does not constitute a franchise modification under Section 545 nor a de facto renewal under 47 USC Section 546.**

7. Existing Agreements

The Commission asked whether existing local standards should be grandfathered, and whether Congress intended to allow Franchise Authorities to amend existing customer service agreements prior to franchise renewal.

The City of St. Louis strongly believes that existing (different and/or more stringent) standards should be grandfathered!!!! In the case of the City of St. Louis, our local standards, imposed during a transfer of ownership in 1989 are specific, somewhat strict, and address local community problems and situations between subscriber and operator. Yet even our operator's senior management verbally admitted that the standards imposed by St. Louis in 1989 made "good business sense" and were not really onerous.

If more stringent standards are not grandfathered, Local Jurisdictions are in the awkward position of having to explain to citizens that the FCC took away their rights and protections...and that despite the wide-spread publicity about, and relief promised by, the 1992 Act, in actuality, federal regulations prevent the local authority from acting. That outcome does not benefit the subscriber, the jurisdiction or the Commission, although it might make a few operators gleeful.

Nor should a Jurisdiction have to renegotiate to maintain hard-won existing standards with an operator, if those adopted by the Commission are less specific, less stringent or different.

Federal standards should supersede less specific, less stringent or different standards whenever a Franchise Authority chooses, as commented on in Paragraph 5 above. No special action should be required for a community to receive the benefits of the FCC's minimum national standards. Weaker local standards previously set could still be enforceable, including any remedies specified in local laws or franchises, but cable operators should also have to meet the Commission's higher standards.

Additionally, St. Louis believes that a Franchise Authority may impose standards after December 3, 1992, but also those imposed before December 3, 1992 must be upheld if they are more stringent. **The principal of local authority to respond to local problems and needs MUST be paramount, as no one can reasonably expect the Commission to be able to handle either the enforcement issues or complaint resolutions if local standards cannot be imposed or maintained.**

In *Footnote 11*, the Commission raises questions about the intent of the 1992 Cable Act regarding imposition of standards at the local level.

The 1992 Cable Act as adopted states, in Section 8(a)(1), that "A franchising authority may establish and enforce - (1) customer service requirements of the operator;". The Section does not dictate a time, window or limitation as to when such standards may be enforced. The Section continues in 8(c)(2) (Last sentence) that "Nothing in this title shall be construed to prevent the establishment or enforcement of any municipal law or regulation, or any State law, concerning customer service requirements that exceed the standards set by the

Commission under this section, or that addresses matters not addressed by the standards set by the Commission under this section."

St. Louis has to assume that means local jurisdictions may do so at any time, not merely in the future... Congress' goal of achieving improved customer service cannot be achieved if the FCC regulations actually reduce hard-won more stringent local standards previously existing or subsequently required due to a local problem.

Further, state and local governments thus retain all the power they had prior to the 1992 Cable Act to make laws and regulate business practices with regard to customer service, whether for businesses generally or for the cable industry in particular.

Should Commission have a role in enforcement?

As a practical matter of time, funds and resources, a FCC enforcement role is not very realistic. Once national standards are established it should be up to local authorities to determine compliance for performance reviews, fines, revocation or renewal. The Commission would be unduly burdened if it had to investigate and respond to every customer or jurisdiction complaint about violation of standards.

The City of St. Louis does recommend that the Commission's Rulemaking establishes quite clearly that operator performance in the area of customer service standards can and will be a key test of "serving community needs" (along with existing legal, technical, and financial considerations) in terms of revocations and/or renewals. The Commission really needs to make this point crystal clear if standards are to have any teeth in local regulation or subsequent judicial proceedings.

Alternative Approaches for Federal Customer Service Standards

8. The City concurs with the Commission that if the FCC takes on just those issues listed - installations, outages, service calls, communications, billings and refunds, it will have performed a valuable service, as long as the Commission's standards are specific enough to be meaningful, measurable and quantifiable, and Franchise Authorities s can deal with other specific local issues on their own as needed.

9. NCTA Standards as a sufficient benchmark ?

The Commission requests comment about the feasibility of the existing NCTA standards, and whether they are "unworkable, burdensome or inadequate".

The "NCTA Standards" are ridiculous in that they are not actually standards at all, and therefore not measurable, objective, nor quantifiable, which creates an unworkable, burdensome and inadequate situation.

In a private 1990 conversation, a senior member of the NCTA's committee which developed the standards told this writer he personally felt they were not strong or specific enough, but were the best the Committee could persuade the industry to adopt at the time.

NCTA's voluntary guidelines are so vague as to be meaningless, and although highly touted, the industry itself has not practiced any kind of specific monitoring which would demonstrate real compliance. Each system is allowed to send a letter to NCTA claiming they have met the standards. NCTA then sends out a "gold star", without any sort of research or verification process in place.

The City is delighted that the Commission is already aware of these definitional pitfalls: the interpretation of 'normal business hours' or 'service interruptions' or 'an attempt to contact the customer'. The interpretations of very vague words and phrases leaves room for argument and dissent which the Commission is, happily, in a position to prevent. Life in the 90s dictates that service businesses cater to their customers...the NCTA standards are too vague and too discretionary as currently written.

10. *What standards to adopt???*

Above all, standards must be specific, measurable, understandable by the subscriber as a consumer rights issue, reasonably achievable by a majority of systems, and make good business sense, if not on the cash flow bottom line, certainly on the more long-range but critically important customer retention/satisfaction side.

St. Louis encourages the Commission to establish specific and measurable standards, rather than rely on mere guidelines suggested by an industry which has perpetuated poor service and blatant disregard to its subscriber bases. National Standards must also address real problems and foster real solutions.

The Commission requested illuminating examples regarding customer service. St. Louis cable subscriber complaint history for 1988 - 1992 clearly demonstrates that complaints reached a "pre- local standards" high in 1988. A Transfer of Ownership agreement, effective January 3, 1989, imposed specific customer services practices and standards, resulting in a dramatic reduction in subscriber dissatisfaction, to wit:

1988	1459	
1989	1060	(27.3% reduction from 1988)
1990	1080	(26.0% reduction from 1988)
1991	689	(52.8% reduction from 1988)
1992	872	(40.2% reduction from 1988)

(A detailed chart summarizing complaints follows this page.)

City of St. Louis

Subscriber Complaints about Cable Television

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The following statistics represent calls made to the cable regulatory agency by frustrated subscribers who were not able to solve a problem on their own with the cable operator, TCI, or who wished to register a formal complaint or protest.

(Both Franchise Areas)	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992*</u>
INSTALLATIONS	280	232	162	96	119
Includes missed appointments, improper wiring, damage to property, malfunctions.					
SERVICE PROBLEMS	570	375	316	231	389
Includes poor picture quality/reception, bad converters, missed appointments, damaged drops.					
BILLINGS	320	232	300	157	105
Includes overcharges, lost payments, errors on cancelled accounts, refunds not received, and disconnections for alleged non-payment.					
CONSTRUCTION / PLANT PROBLEMS	71	136	178	180	164
Includes wires that are too low and hit by trash trucks, easement and right of entry disputes, unactivated areas, construction caused damage.					
OUTAGES	212	49	56	10	48
Entire system or substantial areas.					
MISCELLANEOUS	6	36	68	15	47
Protests over rate increases, programming changes or employee rudeness to customers.					
TOTAL	1459	1060	1080	689	872*
 Average Number Subscribers	 46,865	 48,734	 49,582	 51,099	 52,821*
Complaints per 1000 Subscribers	31.1	21.8	21.8	13.4	16.5*

*1992 Preliminary Figures

ELAPSED TIME FOR RESOLUTION

Complaints completely resolved within the following (business day) time periods, with active follow-up and intervention by the cable regulatory office staff.

Under 48 hours	37%	32%	45%
Within 48 to 72 hours	6%	12%	7%
Within 72 to 120 hours	13%	16%	16%
Over 5 days	23%	21%	16%
Over 14 days	21%	19%	16%

A 40% reduction in complaints from subscribers to the Franchise Agency speaks to the efficacy of locally imposed standards since January 3, 1989. Busy telephones, 9 - 5 office hours, and slow refunds (up to 3 months) were addressed by St. Louis....with a notable reduction in those types of complaints.

The City therefore begs the Commission's indulgence in reviewing some of St. Louis' experiences in the need for and development of customer service standards that contributed to a 40% drop in subscriber complaints received by the Franchise Agency, and comparing those standards to the guidelines suggested by NCTA.

St. Louis' specific Comments and Suggestions regarding NCTA Guidelines

Paragraph 11. NCTA's office and telephone guidelines

A> "Normal Business Hours"

Problem: This is often interpreted by operators as 9 to 5 weekdays. But cable customers need to be able to report a problem whenever the system is operating. Many franchises require that the company have telephones answered "at all times that the cable system is operating" (i.e. 24 hours a day) for example, St. Louis and Eagan-Burnsville, Minnesota...even if it is only a hired answering service. Outages do not happen only between 9 and 5 Monday through Friday.

Local Standard: Complaints dropped dramatically when St. Louis' standards required Saturday hours for telephones (as well as lobby), and the operator quickly thereafter extended telephone weekday hours until 10 pm (reduced to 7 pm after one year) and until 5 pm on Saturday....

B> "Telephone Answer Time"

B> "Four rings or fewer"

C> "Busy Signals"

Comment: 30 seconds is an admirable and ambitious goal for many operators. A more reasonable standard might be 1 minute. As for Busy Signals "under normal conditions....less than 3% of time", we find that cable operators have an amazing capacity for identifying "Un-normal conditions" on a regular basis. Outages, rainstorms, promotional periods, payment due dates, etc. are some of the excuses we have heard from St. Louis operators over the years. Ideally, the Busy Signal standard should be a flat average percentage (10%) measured over a month.

Problem: St. Louis Subscribers literally could not get through on the company phones. The operator admitted that their own studies indicated busy signals as much as 75% of the time, but they had

taken no steps to add additional lines or service reps despite a fourfold increase in the subscriber base (10,000 in 1985 and 39,000 in 1988). The St. Louis Franchise Agency made 6 or 7 daily calls to the customer line for several weeks....we recorded busy signals and measured hold times. Oddly enough, our "unscientific approach" matched within 1% the results the operator got from an expensive and sophisticated secret study. Our research over several months had found typical wait times of 17 minutes average....the longest being 33 minutes and the best (over a two month period) 6 minutes.

Local Standard: We required the operator to increase the number of incoming telephone lines, and CSRs on duty as well as imposed specific and measurable telephone criteria with cure periods followed by stiff fines. Additionally, St. Louis required the cable company to provide automated data and/or an independent phone company study to verify compliance with hold times as well as percentage of busy signals.

St. Louis was thrilled to negotiate in 1988 (effective January 3, 1989)...

Busy Signals (maximum 25% of all incoming calls);

Hold Times (maximum 3 minutes): and

Abandonment Rates (no more than 20%).

By today's criteria, these seem "soft" perhaps, but St. Louis' insistence on busy signals no more than 25% of the time was a threefold improvement over the 75 - 80% busy signal rate before the 1989 customer service standards were put in place. The Operator voluntarily lowered that to 15% in 1990....and actual subsequent performance has been found to be:

Busy Signals of less than 10%:

Hold Times that generally remained under 1.5 minutes, and

Abandonment Rates of less than 13%.

D> "Service Center and Payment Locations"

The same comments apply as to "A" above...lobby hours of Monday through Friday 9 to 5 is not adequate for consumers who need to pay a bill, or exchange a converter on their way to or from work, or on a Saturday and the City applauds the Commission for recognizing and addressing this problem.

Problem: 5 pm weekday closings were a major problem in St. Louis.

Local Standard: Negotiations based on good business sense resulted in the operator expanding lobby hours on weekday evenings until 7 pm and Saturdays until 5pm, dramatically reducing the number of

complaints to the Franchise Agency, and creating a more customer-friendly relationship with subscribers. We note that it did take City intervention to achieve this goal.

Paragraph 12. Concerns regarding Normal Business Hours

St. Louis agrees whole-heartedly with the Commission's perception that operators must be responsive outside of business hours. We have been negotiating for 3 years to have the operator keep a real employee who understands simple cable technology and how to spot an outage actually on the phones 24 hours a day..... our City Regulatory Division has had to become quite expert in advising customers to check the tightness of the fittings, find out if their neighbor's picture is out too, and verifying zip codes. It really should be the operator's job, and the City therefore has strong opinions about customer-friendly practices.

13. NCTA Guidelines for Outages and Service Calls

A> Installations within 7 Days if 125 Feet from the plant.

Comment: This is a reasonable standard on its face. However:

Problem: it fails to address the real underlying problem of advance sales to customers in unactivated areas, and should be expanded to include wording that addresses the shoddy marketing practices of some operators. Specifically, solicitations will not be conducted in unconstructed areas or funds accepted from solicited customers who cannot be installed within 7 days due to technical infeasibility.

B> Service Interruptions

Comment: This would be marginally okay if "service interruptions" means "no picture/no sound" and 24 hours really happens and marginally okay if "other service problems" means they can watch most channels but something is not quite right.

Problem: St. Louis customers complained that a outage which occurs on Friday night often isn't relayed by the Answering Service to appropriate cable system management or technicians supposedly "on call" until the following Monday. So response time for outages and interruptions is very much tied to the telephone availability situation, and the definition of an outage.

Local Standard: An outage is defined as 5 or more calls received within three hours indicating "unviewable picture /no sound" in the same geographic area; the standard requires that the on-call technician will be notified immediately and that Service technicians will respond to outages immediately on a twenty-four hour, seven day a week basis.

C> Appointment Windows for Installations and Service Calls

D> Attempts to Contact Customers about Delays

Comment: Regarding appointments paragraph, Sentence One is fine. Sentence 2 is meaningless.

Regarding phone calls, although seemingly friendly on its face, this guideline is actually too vague to be meaningful.

Problem: Cancelled appointments for installation or repair. The NCTA "standards" say an "appointment window will be morning, afternoon or all day". This only works if the customer is given accurate information. St. Louis had horrendous experiences with customers arranging for a morning appointment, only to find that the work order had actually been written for all day. Or arriving home at noon for an afternoon appointment, only to find it had been cancelled because the installer showed up at 10:30 before the customer arrived home.

Local Standard: Appointments will be for a specified and agreed upon time of day. *Customer will be phoned during the specified appointment window to make sure they are there and still need the appointment; further, the caller should let the phone ring at least 6 times before deciding the customer is not at home and cancelling the call. This neatly defined "attempt to call the customer" and required the company to communicate effectively and openly with subscribers and process work orders more carefully.*

Paragraph 14. Proper balances and incentives for compliance.

The Commission specifically requested responses about missed appointments and appropriate balances between operator expenses and subscribers grievances. The City of St. Louis has successfully addressed this issue.

Problem: St. Louis had a terrible problem with missed appointments and terrible communications prior to 1989...a full 58% of our complaints involved such issues in 1988 since the use of subcontractors for installation work encouraged "no-shows" and poor communication with Dispatchers. The St. Louis operator was very bad about this...a CSR would tell the customer one thing, write down another, someone else would leave it off the work order, and the poor customer sat around all day. CSR would tell customer "tech will be out between 1 and 5 pm" but Dispatch would phone the customer that morning, and if they didn't answer the phone in 3 rings (honest) they were deemed to be "not home" and the appointment was cancelled. We had one 74 year old invalid man who got caught while in the bathroom...only time his phone rang all day...3 rings and they

hung up....later found out, the Dispatch rep figured he "wasn't home", and cancelled the appointment. Meanwhile he immediately called the operator back, where another CSR assured him, "oh they will be there", I don't need to check your file or the dispatchers.

Local Standard: St. Louis addressed the problem with specific language and remedies in our customer service provisions imposed during a transfer of ownership:

Appointments shall be morning / afternoon /or all day / AND FURTHERMORE the customer will be told which it is.

Dispatchers will telephone the customer only during the scheduled appointment window and verify the person is home and still needs to be serviced.

After second missed installation appointment customer gets either a "free installation" OR a Free month of Service if install was to have been free already (because of a promotion, etc). It wrought amazing corrective action, even though the financial penalty was modest. Customers felt vindicated, subcontractors tightened up their practices, complaints dropped substantially and the operator appeared responsive and concerned about its subscribers. Although the operator initially resisted, the standard resulted in a win/win for all concerned.

By 1991 our complaints about such installation problems had dropped from 280 per year to 96...

We agree with the Commission that undue burdens are not helpful to anyone...regulators, operators or customers. However, the financial incentive to a system manager can be marvelous....you don't want to lose installation fee revenue, so you work at getting the installs done right on time.

Paragraph 15. NCTA Guidelines on Communications, Billings, Refunds

A> Written Information to Subscribers

Comment: Many cable operators seem to operate under the mistaken impression that their customers understand the technology and business rules as well as the system employees do.

Problem: St. Louis franchise regulators often find themselves translating "cable-speak" into English for the customer or explaining operator policies about communications, appointments and cancellations. The end result was often "oh, okay, that would be fine if only I had known". Local Standard: Policies regarding Installation, service, disconnection and billing problems must be described on the System Bulletin Board Channel, as well as being briefly described on billings once every 6 months.

Recommendation: Bill stuffers are customer-friendly...an appropriate standard would require the operator to share the information with the subscriber on an annual basis, in the same way (or at the same time) that they announce rate increases or channel re-alignments. A once a year bill stuffer requirement to make sure customers continue to know existing policies or are updated about new policies...."upon request" requires customer to take too much action....bill stuffers are cheap and good PR.

B> Clear Concise and Understandable Billings

Comment: According to whom???? St. Louis strongly supports the comments of Montgomery County, Maryland regarding bills which at least itemize the specific services and equipment being billed. Furthermore, we again point out that what is comprehensible to a cable employee is frequently not equally understandable to the average subscriber enquiring about an unidentified "Pro-Rate" or the actual reason for and date of late fees.

Problem: St. Louis handled 100 - 120 complaints a month and looked at dozens of customer bills as part of dispute settlement...it took this regulatory writer 5 months with the Agency before really understanding a \$12.60 cable bill....for example:

the billing date is 12/15, but the billing cycle is 12/16 to 1/15, which the CSRs refer to as the "January bill" with a due date of 12/20 but no delinquent date listed.

Furthermore, the operator's chosen procedures resulted in payment posting delays of up to five business days after receipt of the payment, although late fees were imposed on the due date.

Problem: A huge St. Louis issue involved customers who were disconnected for non-payment before the operator had even processed all the payment checks from that billing cycle. The practice resulted in a lovely operator windfall for \$31.50 reconnection charges, plus late fees.

Local Standard: Resolved that by specifying that the operator could not issue disconnection work orders or add on late fees until after the payment processing cut-off date. More specifically, St. Louis' standards specified no customer could be disconnected until 45 days after the missed due date. The operator could thus easily separate a 'deadbeat' who disregarded two bills in a row from the subscriber who legitimately experienced a bill or payment lost in the mail, a family crisis, or a payment processing error. St. Louis would recommend this standard as practical, reasonable and efficient.

C> Refunds

Problem: Refund checks were not issued by the local system, and the corporate structure resulted in 6 to 8 week wait periods, even if a customer changed their mind the day after they placed an order

during a 'money back guarantee' promotion.

Local Standard: Subscriber will receive a refund no later than 35 days after their request for same.

While hardly perfect, it was a major improvement. St. Louis would recommend a 30 day maximum as both reasonable and achievable, but acknowledges that no refunds should be issued prior to retrieval of all operator equipment. Note, however, that the St. Louis franchise also requires that the operator is responsible for picking up equipment when a customer voluntarily requests disconnection. We respectfully suggest the Commission support operator responsibilities.

D> Rate Change Notifications

Comment: Many franchises require a 60 day or more notification to the Franchise Authority and respectfully request that the Commission duly note that federal standards would not pre-empt any local notification requirements to either subscribers or Franchise Authorities, especially in light of rate regulation issues being addressed under a different Rulemaking.

Paragraph 16. Communications Issues

The real stick is that each operator should be required to give a copy of the standards to each current and new customer...if a customer knows what is required, and what they have rights to demand, they will be able to let the operator know when it's wrong....

In addition to comments on specific standards, the Commission requested general comments regarding enforcement, to which the City of St. Louis respectfully submits the following observations:

Setting time frames for compliance with standards ?

Yes, cities should be able to set time frames for compliance because individual systems, needs and technical capabilities do vary from area to area. However, in fairness to the operators, Franchise Authorities should allow at least 120 days (from enactment of FCC standards assuming the rules become effective in April 1993) for local systems to come into compliance with the standards.

Penalties

General monetary penalties are difficult to devise at the federal level....grounds for revocation or non-renewal might be a powerful threat in itself as described in detail above. Or the Commission could choose to establish automatic rebates to customers for certain violations such as outages or appointment "no shows". Another suggestion would be performance bonds for customer service....the Commission could require each operator to have them...and establish the grounds on which the operator would be deemed to have defaulted.

Paragraphs 17 and 18. National Benchmarks

St. Louis concurs with the Commission that a national benchmark may not be able to take into account differences among systems and communities. St. Louis suggests that national standards do not need to take into account those differences, because the local Franchise Authority can promulgate and apply more stringent standards or accept less stringent performance in its community. The national standards seem to be contemplated by Congress as a flexible 'floor' which " should allow a local franchising authorities to tailor the requirements to meet the needs of the local cable community" (Commission Footnote 24).

It is the standards which are important, as a basic right of every cable customer - and not the methodology to achieve the standards. The methodology could be flexible. What other industry can get away with unitemized bills (as in Montgomery County, Maryland), or not answering the phones at all (automatic answering machines are a luxury not a necessity), or taking two weeks to respond to a legitimate system picture ghosting problem (as in St. Louis before our local standards), or initiating appointment procedures but never telling the customer the rules of the game (also St. Louis).

Paragraph 19. Service Levels Based on System Size

As discussed in Paragraph 5 above, different standards or waivers for small systems should not be automatically allowed based solely on the subscriber base. It isn't the size of the system, it's the sophistication of the equipment used and the operator in charge that will determine ability to comply with federal standards. If, for example, a system does not have automation and related performance monitoring software, then the standard should still hold, but the methodology for determining compliance could be different, and developed by the local jurisdiction with input from the operator.

Paragraph 20. Definitions

St. Louis concurs that definition of terms and conditions is both necessary and beneficial in enforcing measurable standards. However, St. Louis' experiences with our operator lead us to the conclusion that definitions with too many "caveats" or "exceptions" render those standards and definitions meaningless.

For example, in the comments filed by Tele-Communications, Inc. TCI argues that "Normal Business Hours" means "an aggregate of 40 hours during each normal weekday period... Monday through Friday during which Normal Operating Conditions exist for the entire period". TCI goes on to define Normal Operating Conditions to exclude "federal state and local holidays" (that's okay), "acts of God, fire or other casualty, civil disturbances or emergencies, war" (well, those may be acceptable if one thought of them in the extreme), but goes

on to include in the exemptions "strikes or other labor difficulties, lack of labor or materials, governmental restrictions", and, most incredibly, "conditions occurring as a result of a significant enhancement or upgrade of the cable system". TCI also indicates that the exemptions are not limited to these items. One suspects that TCI would later argue that anything that any other entity did was completely outside of its control and therefore TCI was not accountable for appropriate response.

In TCI's worldview, neither the Commission nor a Franchising Authority could find them at fault or deficient except during a week which included all of the following elements: 5 sunny weekdays with mild temperatures; no holidays of any sort; all the materials were ordered in time; no installers, technicians, or CSRs called in sick; the electric utility didn't have any failures at all; no one shot out an amplifier; and TCI was not completing an 'enhancement' or upgrade.

('Enhancement', by the way, is one of TCI's favorite words to describe repairs, changes, and rate increases when they correspond with franchise authorities and subscribers - honest, St. Louis has documentation!) Since TCI has announced a national program to complete fiber optic upgrades in a large percentage of their systems within the next 3 years, if the Commission used their definition, TCI would be excluded from compliance with customer service standards for years!!!

By the same token, TCI's definition of "service interruption" is qualified by the nebulous standard wording of "excluding those situations beyond the control of the cable operator" and "which is the responsibility of the operator to rectify". The St. Louis experience indicates that it happens to take TCI from Friday night until Monday morning to determine that a problem like an outage is their responsibility.

TCI's definition of "Community Needs" is equally problematic. St. Louis wonders what TCI considers to be a "quantifiable demonstration by the franchising authority that based on current subscriber utilization rate of the cable operator's customer service phone lines and personnel, there is sufficient demand to make Supplemental Hours necessary for customer telephone inquiries, walk-in visits, appointments for installations and service" beyond 9 to 5 Monday through Friday. TCI wants the Franchise Authority to consider the whether supplemental hour needs "justify the imposition on the system's subscribers of the increased costs and expenses incurred by the operator".

If TCI cares to submit detailed financial data explaining the horrendous costs of an after 5 o'clock or Saturday service appointment or walk-in converter swap, St. Louis feels certain that the Franchise Authority would listen.

TCI's assertion that "The Commission Should Make Certain Definitional Clarifications to the NCTA Standards" renders these already vague guidelines totally meaningless and unenforceable.

CONCLUSION

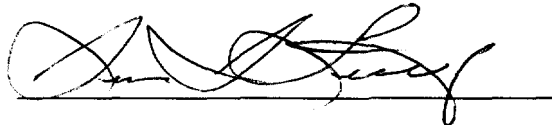
St. Louis respectfully recommends that the Commission uphold the Congressional principle of local regulation based on local needs, while establishing standards which address the basic rights of all cable subscribers.

St. Louis urges the Commission to look carefully at definitions and vague guidelines proposed by an industry which has often fought any attempt to guarantee adequate performance and reasonable rates at federal, state, and local levels.

St. Louis recommends that the Commission's standards be reasonable, specific and quantifiable, while maintaining some flexibility as to methodology.

Respectfully submitted,

The CITY OF ST. LOUIS
COMMUNICATIONS DIVISION

A handwritten signature in black ink, appearing to read "Susan S. Littlefield", is written over a horizontal line.

BY: Susan S. Littlefield
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Attachment A

Cable TV is paradoxically viewed by some as an essential utility and by others as a luxury entertainment. In either case it remains, essentially, a service with near-monopoly power collecting payments based on the provision of 24 hour per day service.

As such, its parameters of availability must approach those of both discretionary and essential services. St. Louis respectfully submits the following language for a

CUSTOMER BILL OF RIGHTS

1. Customer service offices, bill payment centers and knowledgeable, qualified company representatives will be available to customers a minimum of 40 hours Monday through Saturday during regular business hours similar to those for other typical local businesses. Supplemental office service hours may be established based on local needs.

2. Telephones will be answered typically within 8 rings and hold times shall typically not exceed 2 minutes for 90% of all calls made to the company. Customers will receive a busy signal no more than 20% of the time....based on all incoming calls to the operator. (Typical excludes natural disasters, extreme weather, power failures and civil disturbances)

3. Cable Operator will maintain a 24 hour telephone presence* to accept calls from subscribers. (*Presence is either a company employee, answering service or message recorder. In the latter two circumstances, the operator will return the customer's call during the next business day.)

90% of the time, barring natural disasters, extreme weather conditions of civil emergencies, the following standards will be met:

4. Standard installations will be completed within 7 days. However, Operators will not solicit sales in unactivated areas more than 125 feet from existing plant.

5. Service interruptions (outages of no picture/no sound on multiple channels) will be responded to on a 24 hour, 7 day a week basis, based on 5 or more reports of outage within two hours from a geographic area. Service problems such as one channel out, will be responded to within 36 hours.

6. Appointment windows will be morning, afternoon or evening, with options and preferences clearly indicated to the subscriber.

7. Customer will be phoned during the designated appointment window if the technician is running late or the operator wishes to verify that the reported problem still exists.

8. The operator will provide the customer at the time of installation and once a year thereafter:

- * installation and service policies
- * price, product and service options
- * telephone / office hours and procedures
- * delinquent dates and late fee charge policies

If channel capacity is available, the operator will place such information on a system bulletin board channel.

9. Bills will contain, at a minimum:

- * line itemized information for each service level subscribed to (basic, expanded basic, PPV, premiums, equipment rental, program guides); sales taxes; credit prorates; late fees; installation charges;
- * the billing period and a specific due date with a delinquent date whenever possible;
- * a telephone number for billing and service inquiries

10. Customers will have at least 14 days between receipt of bill and payment due date.

11. Refunds for termination of service will be issued no later than 35 days from voluntary disconnection and retrieval of operator equipment. Refunds from new installation sales not completed will be issued within 7 days.

12. Customers will receive notices of changes in rates or channels at least 30 days before the implementation.

13. Customers will not be penalized with late fees due to operator delays in payment processing, or before all timely payments have been processed.